



## State Procurement Office

14th Floor Capitol Tower, 600 E Boulevard Ave Dept 012,  
Bismarck ND 58505-0310

A Division of the Office of Management & Budget

<b>Term Contract Name:</b>	Coal
<b>Term Contract Number:</b>	016
<b>Contract Period:</b>	10/15/1999 through 08/31/2007
<b>Contract Administrator:</b>	Don Griffin
<b>Phone Number:</b>	701-328-4912
<b>Fax Number:</b>	701-328-1615
<b>Contractor Information</b>	
<b>Name:</b>	Center Coal Co. Div. of General Industries, Inc. PO Box 820 Dickinson, ND 58602
<b>Service Representative:</b>	Glen Baranko
<b>Toll Free Numbers:</b>	N/A
<b>Telephone Number:</b>	701-794-3400
<b>Fax Number:</b>	701-794-3408 (Center) 701-483-5868 (Dickinson)
<b>E-Mail Address:</b>	N/A
<b>ORDERING &amp; BILLING PROCEDURES.</b>	

Orders will be issued by designated institutional personnel at least one week in advance of required delivery date, indicating the type of coal, and if oil treatment is desired. For auditory purposes, verbal orders for coal by institutional personnel will be verified by confirming written purchase orders. Billings are to be submitted as indicated in the purchase orders. Since all billings, invoices, and credits must be processed by the individuals agencies before payment is made, submission of these items to this office will delay payment.

**Delivery and Freight Charges.** All rail deliveries are to be made in bottom-unloading rail cars, reasonably free of snow, ice, and other foreign material. Truck deliveries shall be made by dump trucks with unloading capabilities specified in the proposal. Trucks and drivers must be covered by liability insurance.

Deliveries are to be made, as ordered, generally on a weekly basis, for delivery within the following week. Truck deliveries are to be made only during normal week-day work hours, unless otherwise ordered and/or coordinated with institutional personnel.

#### **Revisions.**

Extended as of 09/01/2006

#### **General Terms and Conditions.**

**Title.** Title to items ordered shall not pass to the state until the items are received and accepted by the state. The contractor shall be responsible for any loss prior to the actual receipt of the items by the state or its agent.

**Investigations.** The State reserves the right to make an investigation or investigations of the materials, equipment, supplies, qualifications, or facilities offered by the apparent low bidder or bidders. This investigation would be to determine whether or not the apparent low bidder or bidders could meet the requirements set forth in the solicitation.

**Material and Workmanship.** All material and workmanship shall be subject to inspection and testing by the state either at: (1) the point of manufacturer, or; (2) place of storage, or; (3) upon receipt.

#### **Specific Terms and Conditions**

**SAMPLING PROCEDURES:** Coal sampling will be conducted by receiving institutional personnel. The intention of the sampling procedures is that the gross sample shall contain proportions of coarse and fine lignite impurities as the shipment contains. Samples shall be taken from each rail car and /or truck load. These samples shall be combined for a total day's sample. This gross sample

shall be riffled through a riffler into a quart size container. This daily riffled sample shall be sealed and stored. Each daily sample shall be combined for a total weekly sample. This weekly sample shall be riffled into two quart size samples. One quart size sample shall be analyzed by the Engineering Experiment Station, University of North Dakota. The other quart size sample shall be retained until results are obtained from the first sample. If the successful bidder wishes to contest the test results, they may have the second sample retested at their own expense by an independent testing lab. The results of the second sample will be used for actual test results, only if there is a difference between the two samples of more than 100 BTU/lb., otherwise the original test results will be recorded. Results of laboratory analysis will be made a matter of record, with copies furnished to the institution and the contractor. In addition, periodic analysis shall be made to ensure that Product Specifications (see Product Specifications section) are being met. All sampling procedures must meet ASTM standards.

**QUALITY CONTROL:** It is expected that the contractor will make every reasonable effort to insure that the quality of coal, as delivered, conforms as closely as possible to the laboratory analysis information submitted with the bid. Extreme variations in quality of the coal being delivered will be brought to the attention of the contractor who shall make every reasonable effort to correct the problem immediately. A credit or debit will be issued to the institution on the coal delivered which is represented by a sample analysis. The formula for deriving the penalties and bonuses will be:

The coal supplier shall guarantee the BTU value on an >as received basis@ for all coal delivered. The guarantee shall approximate the results shown in the Analysis for the coal submitted with the coal suppliers bid.

The conditions governing the calculation of penalties and bonuses of the coal (as received) shall be those specified as follows:

1. Penalties or bonuses, insofar as the BTU value is concerned, will become effective when the analysis of the coal received show the heat content of the coal 125 BTU more or less than that guaranteed by the coal supplier. Whenever these limits are exceeded, on way or the other, an adjustment will be made in the price paid per ton in accordance with the following formal based upon the exact number of BTU's certified in the coal analysis submitted with the bid: 
$$\text{BTU value of coal as received} \times \text{bid price of coal f.o.b. mine} \div \text{BTU value guaranteed in bid}$$

2. Monitoring and applying penalties and bonuses is the responsibility of the using agency. Calculations should be done at least monthly at the agencies' discretion.

**WEIGHING AND SCALING:** Unless otherwise agreed, all delivered coal shall be weighed on coal company scales (under supervision of the Western Weighing

and Inspection Bureau - such weight shall govern in the settlement between contracting parties), or the railway company scales located nearest the destination institution. Railway cars shall not be accepted unless properly sealed with railway company seals. At their option, individual institutions may enter into an agreement with the Western Weighing and Inspection Bureau for billing on the basis of average weights as determined by the agency.

**PRODUCT SPECIFICATIONS:** Coal to be furnished under these specifications shall be the bidder's standard mined and processed coal for use in stoker-spreader type heating boilers. The coal, is delivered, shall be comparable in quality to that indicated in the laboratory analysis report quoted and furnished with the bid proposal.

For the purposes of this contract, coal shall be classified as follows:

1. STOKER-NUT coal shall be that coal which is double-screened at a top size of not more than 1.75" and a bottom size of at least .5".
2. OIL TREATMENT shall be that process where coal is treated with residual oil with a minimum of one (1) gallon oil to one (1) ton of coal.
3. The sulfur content of the coal delivered to all state institutions shall not exceed 1.75% on a dry ash free basis.
4. Coal suppliers shall conduct adequate sampling and analysis to guarantee that the coal shipped complies with the maximum sulfur content specified in the paragraph Ac@.
5. The contract may be canceled if a successful bidder consistently fails to deliver coal that doesn't meet the above standards.

STOKER-NUT		
	AS REC'D.	DRY BASIS
*% ASH	6.21	9.80
*% SULPHUR	0.67	1.06
*% SODIUM	--	--
*% BTU/LB.	7031.00	11093.00
Percentage of coal fines .25" or less. Less than 20%.		
<b>PRICING:</b> Price per ton is \$15.00 plus shipping charges.		

